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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

MIKE GLEASON, Chairman
WILLIAM A. MUNDELL
JEFF HATCH-MILLER
KRISTIN K. MAYES
GARY PIERCE

IN THE MATTER OF THE APPLICATION OF
ARIZONA-AMERICAN WATER COMPANY,
AN ARIZONA CORPORATION, FOR A
DETERMINATION OF THE CURRENT FAIR
VALUE OF ITS UTILITY PLANT AND
PROPERTY AND FOR INCREASES IN ITS
RATES AND CHARGES BASED THEREON
FOR UTILITY SERVICE BY ITS SUN CITY
WASTEWATER AND SUN CITY WEST
WASTEWATER DISTRICT.

DOCKET NO. WS-01303A-06-0491

NOTICE OF FILING DIRECT TESTIMONY

Staff of the Arizona Corporation Commission hereby files the Direct Testimony of Dennis
Rogers of the Utilities Division, in the above-referenced matter.

RESPECTFULLY SUBMITTED this 6th day of July, 2007.

Maureen A. Scott, Senior Staff Counsel
Keith A. Layton, Staff Counsel
Legal Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007
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Original and thirteen (13) copies
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6th day of July, 2007 with:

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1200 West Washington Street
Phoenix, Arizona 85007

Arizona Corporation Commission
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DIRECT
TESTIMONY
OF
DENNIS ROGERS

DOCKET NO. WS-01303A-06-0491

**IN THE MATTER OF THE APPLICATION OF
ARIZONA AMERICAN WATER COMPANY
FOR A DETERMINATION OF THE CURRENT
FAIR VALUE OF ITS UTILITY PLANT AND
PROPERTY AND FOR INCREASES IN ITS
RATES AND CHARGES BASED THEREON
FOR UTILITY SERVICE BY ITS SUN CITY
WEST WASTEWATER DISTRICTS**

JULY 6, 2007

BEFORE THE ARIZONA CORPORATION COMMISSION

MIKE GLEASON

Chairman

WILLIAM A. MUNDELL

Commissioner

JEFF HATCH-MILLER

Commissioner

KRISTIN K. MAYES

Commissioner

GARY PIERCE

Commissioner

IN THE MATTER OF THE APPLICATION OF)
ARIZONA AMERICAN WATER COMPANY)
FOR A DETERMINATION OF THE CURRENT)
FAIR VALUE OF ITS UTILITY PLANT AND)
PROPERTY AND FOR INCREASES IN ITS)
RATES AND CHARGES BASED THEREON)
FOR UTILITY SERVICE BY ITS SUN CITY)
WASTEWATER DISTRICT)

DOCKET NO. WS-01303A-06-0491

DIRECT

TESTIMONY

OF

DENNIS ROGERS

PUBLIC UTILITIES ANALYST V

UTILITIES DIVISION

ARIZONA CORPORATION COMMISSION

JULY 6, 2007

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**EXECUTIVE SUMMARY
ARIZONA-AMERICAN WATER COMPANY
WASTEWATER DISTRICT
DOCKET NO. WS-01303A-06-0491**

On August 4, 2006, Arizona-American Water Company Inc. - Sun City Wastewater District ("Sun City" or "Company") filed a revised general rate application. Arizona-American Water Company Inc. is a for profit company providing wastewater services to customers in Sun City, Arizona in Maricopa County. Sun City served approximately 22,000 customers during the 2005 test year. The testimony of Mr. Dennis Rogers represents Staff's recommend rate design.

Sun City's present sewer rates are mostly flat rate, except that customers classified as large Commercial and Industrial customers include both a fixed customer charge and a volumetric charge above the first 20,000 gallons.

Consistent with direction provided in Decision No. 67093, the Company proposes to introduce volumetric charges to all of its wastewater bills. The customer charges and usages subject to volumetric charges increase in tandem with the size of the water meters. As wastewater is not metered, the volumetric charges are based on customers' water consumption as measured by the water meters. The volumetric charge is applied only to the first block of water usage in the residential class and the size of the first block varies with the size of the water meter. The Company also recommends continuance of the existing practice of excluding the first 20,000 gallons from the volumetric rate for the large commercial and industrial customers.

Staff also recommends a rate design that includes a volumetric component, but it differs from the Company's proposal in several ways. First, for all customers with a meter larger than 2 inches, Staff recommends that the volumetric charge apply to all metered water use. Second, although Staff recommends application of the volumetric charge to the same maximum use level of 5,000 gallons as the Company proposes for 5/8-inch meters, for customers with 3/4-inch, 1-inch, 1.5-inch and 2-inch meters, Staff recommends different maximum use levels to which the volumetric charge would be applied than the Company proposes. Staff selected the maximum use level to which the volumetric rate would apply based on the equivalent flow capacities for each meter size. Third, Staff does not propose to exclude any usage from the volumetric charge for the large commercial and industrial customers. Staff's rate structure is designed to promote better matching of cost causation and cost recovery and, thus, efficient use of wastewater resources.

Staff's recommended rate design would generate Staff's recommended revenue of \$5,678,767, including \$1,875,088 from volumetric sales. The typical residential bill with median use of 5,200 gallons would increase by \$3.45, or 31.42 percent, from \$10.98 to \$14.43. However, the monthly minimum charge for a residential customer declines by \$1.34, from \$10.98 to \$9.64, giving customers more control of their bills.

1 **INTRODUCTION**

2 **Q. Please state your name, occupation, and business address.**

3 A. My name is Dennis Rogers. I am a Public Utilities Analyst V employed by the Arizona
4 Corporation Commission ("ACC" or "Commission") in the Utilities Division ("Staff").
5 My business address is 1200 West Washington Street, Phoenix, Arizona 85007.

6
7 **Q. Are you the same Dennis Rogers that previously filed testimony on behalf of Staff in**
8 **this docket for the Arizona-American Water Company, Inc. – Sun City Wastewater**
9 **("Sun City" or "Company") permanent rate application pertaining to the subjects**
10 **rate base, operating revenues and expenses and revenue requirement?**

11 A. Yes.

12
13 **Q. What is the subject of the testimony you are submitting at this time?**

14 A. The purpose of this testimony is to present Staff's rate design recommendations.

15
16 **Q. Have you reviewed the rate design testimony submitted by Sun City in this case?**

17 A. Yes. I reviewed Company witness, Mr. Charles E. Loy's testimony.

18
19 **Q. Is the Company proposing any major changes in the rate structure?**

20 A. Yes. Consistent with the direction provided in Decision No. 67093, the Company is
21 proposing a migration from a rate design that is mostly based on flat rates to a billing
22 methodology that has volumetric components. Staff also recommends a rate design that
23 includes a volumetric component, but it differs from the Company's proposal in several
24 ways as discussed below.

SUMMARY OF TESTIMONY AND RECOMMENDATIONS

Q. Briefly summarize how Staff's rate design testimony is organized.

A. Staff's rate design testimony is organized to present a discussion of the present rates, the Company's proposed rates, and Staff's recommended rates for Sun City. Schedules DRR-1 and DRR-2 are provided to further describe Staff's rate design.

Present Rate Design

Q. Please provide an overview of the Company's present rates.

A. The following is a general description of the present rate design. Details of the rate designs are presented on Schedule DRR-1. Presently, Sun City wastewater rates are flat rate, except that bills for customers classified as large Commercial and Industrial include both a fixed customer charge and a volumetric charge above the first 20,000 gallons of metered water use. All multi-unit residential housing is billed at the same charge per unit. Commercial customers, other than large commercial and industrial, are also subject to a flat fee per additional items such as toilets, dishwashers, etc. Large commercial and industrial customers pay a customer charge and a volumetric rate for metered water use exceeding 20,000 gallons.

Sun City Proposed Wastewater Rate Design

Q. Please provide an overview of the Company's proposed rate structure.

A. Consistent with the direction provided in Decision No. 67093, the Company proposes that customers receiving metered water service from an Arizona-American entity would change from flat rate service to rates that include a volumetric component. As wastewater is not metered, the volumetric charges are based on customers' water consumption as measured by their water meters. The volumetric charges are based on each thousand gallons of water usage up to a volumetric threshold in each rate class. The first 20,000

1 gallons of metered water use would continue to be excluded from large commercial and
2 industrial customer bills. All gallons above 20,000 gallons would be billed at a volumetric
3 rate that is lower than that paid by other customers whose volumetric rate is applied only
4 up to an established use level. Customers receiving wastewater service but not water
5 service from an Arizona-American entity will continue to be billed on a flat fee basis. The
6 Company should endeavor to work with alternate water providers to obtain water use data
7 so as to bill volumetrically consistent with other customers. For all metered rate classes,
8 customer charges are based on and increase with the water meter size. Separate
9 volumetric rates are established for (1) commercial (2) residential and (3) large
10 commercial and industrial.

11
12 **Staff's Recommended Wastewater Rate Design**

13 **Q. Please describe Staff's recommended rate structure.**

14 **A.** Staff's rate structure is designed to promote better matching of cost causation and cost
15 recovery and, thus, efficient use of resources. Staff recommends a rate design that
16 includes a volumetric component, but it differs from the Company's proposal in several
17 ways. First, for all customers with a meter larger than 2 inches, Staff recommends that the
18 volumetric charge apply to all metered water use. Second, although Staff recommends
19 application of the volumetric charge to the same maximum use level of 5,000 gallons as
20 the Company proposes for 5/8-inch meters, for customers with 3/4-inch, 1-inch, 1.5-inch
21 and 2-inch meters, Staff recommends different maximum use levels to which the
22 volumetric charge would be applied than the Company proposes. Staff selected the
23 maximum use level to which the volumetric rate would apply based on the equivalent flow
24 capacities for each meter size. Third, Staff does not propose to exclude any usage from
25 the volumetric charge for the large commercial and industrial customers. Staff's
26 recommendation includes a volumetric component for all customer classes except those

1 customers who do not receive metered water service from the Company. As with the
2 Company's proposal, customers receiving wastewater service but not water service from
3 an Arizona-American entity will continue to be billed on a flat fee basis. These unmetered
4 customers account for \$110,777 or 1.95% of Staff proposed revenue of \$5,678,767.

5
6 Staff's rates are designed to yield Staff's recommended revenue requirement.

7
8 **Q. Please provide additional rate design considerations.**

9 A. As discussed above, Staff recommends a design that includes a volumetric rate applied
10 only up to specified volumetric thresholds for all customers with a 2-inch or smaller
11 meter. For customers with a meter larger than 2 inches, Staff recommends that all usage
12 be subject to volumetric charges. Applying the volumetric rate only up to a specified
13 threshold is intended to avoid billing wastewater customers with smaller water meters for
14 engaging in activities that are not associated with wastewater service such as outdoor
15 watering. As water customers' metered water use increases, the likelihood that each
16 incremental gallon is used for some purpose not associated with wastewater production
17 also increases. Use of large volumes of water by customers with smaller meters is often
18 associated with watering of lawns, filling of pools, and other activities that are not
19 associated with wastewater service.

20
21 Most customers with large meters are associated with multi-unit housing and commercial
22 operations. For this reason, Staff recommends application of a volumetric wastewater rate
23 only up to the specific volumetric thresholds for customers with smaller meter sizes and to
24 all gallons for customers with meters larger than 2 inches.

1 **Q. What method was used by Staff to determine the monthly minimum charges and**
2 **volumetric charges?**

3 A. Staff calculated monthly minimum charges and volumetric charges that would produce
4 Staff's revenue requirement. Staff selected these rates based on a combination of monthly
5 minimum charges and volumetric charges that would maintain the same ratio of monthly
6 minimum charge revenue to total revenue that exists in the Company's proposed rates.
7 Due to Staff's view that the volumetric rate should be applied to all metered water use,
8 Staff re-calculated the billable gallons for the residential, commercial and large
9 commercial and industrial groups. Staff derived commodity rates by dividing the desired
10 commodity revenue for residential and commercial groups by respective billable gallons.

11
12 **Q. Did Staff prepare schedules showing the present, Company proposed, and Staff**
13 **recommended monthly minimums and volumetric rates for each rate class?**

14 A. Yes. Staff Schedule DRR-1 shows the present monthly minimum charges and volumetric
15 rates, the Company's proposed monthly minimum charges and volumetric rates and
16 Staff's recommended monthly minimum charges and volumetric rates.

17
18 **Q. Did Staff prepare a schedule showing the average and median monthly residential**
19 **bills under present rates, the Company's proposed rates, and Staff's recommended**
20 **rates for each of the water systems?**

21 A. Yes. Staff Schedule DRR-2 presents average and median monthly bills using present
22 rates, the Company's proposed rates and Staff's recommended rates.

23
24 **Q. Did the Company propose any changes to its wastewater system service charges?**

25 A. No. The Company has not proposed changes to service charges. The Company's rate
26 design is shown on the Company's Revised Schedule H-3.

1 **Q. What wastewater system service charges does Staff recommend?**

2 A. Staff's recommendations for service charges are shown in Schedule DRR-1.

3
4 **Q. What is the impact of Staff rate design on a typical residential customer?**

5 A. The bill for a typical residential customer with median use of 5,200 gallons would increase
6 by \$3.45, or 31.42 percent, from \$10.98 to \$14.43.

7
8 **Q. Has the Company submitted a recommendation for the format and content of its**
9 **tariff's in addition to rates and charges?**

10 A. No. No proposal for the format or content of the tariffs was included in the application
11 except for the specific rate recommendations made by the Company. The Company
12 should endeavor to provide better definitions of residential, commercial, and large
13 commercial and industrial customers.

14
15 **Q. Does this conclude your direct testimony?**

16 A. Yes, it does.

RATE DESIGN

Analysis of Revenues by Detailed Class

Monthly Minimum Charge		Present	Company Proposed	Staff Recommended
Rate Schedule	Description			
A1MS1	General Sanitary Sewer Service Rate Residential - All	\$ 10.98	See Below	See Below
A1MS1A	Residential 5/8-3/4" & 3/4" Single Unit	\$ 10.98	\$ 10.05	\$ 9.64
A1MS1B	Residential 1" Single Unit	\$ 10.98	\$ 25.13	\$ 24.10
A1MS1C	Residential 1 1/2" Single Unit	\$ 10.98	\$ 50.25	\$ 48.20
A1MS1D	Residential 2" Single Unit	\$ 10.98	\$ 80.40	\$ 77.12
A1MS1E	Residential 3" Single Unit	\$ 10.98	\$ 150.75	\$ 77.12
A1MS1F	Residential 4" Single Unit	\$ 10.98	\$ 251.25	\$ 77.12
A1MS1G	Residential 6" Single Unit	\$ 10.98	\$ 502.50	\$ 77.12
A1MS1H	Residential 8" Single Unit	\$ 10.98	\$ 804.00	\$ 77.12
A1MS10	Residential Flat Fee Single Unit	\$ 10.98	\$ 14.88	\$ 14.40
A1MS2A	Residential 5/8-3/4" & 3/4" Multi Unit	\$ 10.98	\$ 10.05	\$ 9.64
A1MS2B	Residential 1" Multi Unit	\$ 10.98	\$ 25.13	\$ 24.10
A1MS2C	Residential 1 1/2" Multi Unit	\$ 10.98	\$ 50.25	\$ 48.20
A1MS2D	Residential 2" Multi Unit	\$ 10.98	\$ 80.40	\$ 77.12
A1MS2E	Residential 3" Multi Unit	\$ 10.98	\$ 150.75	\$ 77.12
A1MS2F	Residential 4" Multi Unit	\$ 10.98	\$ 251.25	\$ 77.12
A1MS2G	Residential 6" Multi Unit	\$ 10.98	\$ 502.50	\$ 77.12
A1MS2H	Residential 8" Multi Unit	\$ 10.98	\$ 804.00	\$ 77.12
A1MS20	Residential Flat Fee Multi Unit	\$10.98 per unit	\$ 14.88	\$ 14.40
A2MS1A	Commercial 5/8-3/4" & 3/4" Single Unit	\$ 13.18	\$ 10.05	\$ 9.64
A2MS1B	Commercial 1" Single Unit	\$ 13.18	\$ 25.13	\$ 24.10
A2MS1C	Commercial 1 1/2" Single Unit	\$ 13.18	\$ 50.25	\$ 48.20
A2MS1D	Commercial 2" Single Unit	\$ 13.18	\$ 80.40	\$ 77.12
A2MS1E	Commercial 3" Single Unit	\$ 13.18	\$ 150.75	\$ 77.12
A2MS1F	Commercial 4" Single Unit	\$ 13.18	\$ 251.25	\$ 77.12
A2MS1G	Commercial 6" Single Unit	\$ 13.18	\$ 502.50	\$ 77.12
A2MS1H	Commercial 8" Single Unit	\$ 13.18	\$ 804.00	\$ 77.12
A2MS10	Commercial Flat Fee Single Unit	\$ 13.18	\$ 17.86	\$ 16.71
A2MS2A	Commercial 5/8-3/4" & 3/4" Multi Unit	\$ 13.18	\$ 10.05	\$ 9.64
A2MS2B	Commercial 1" Multi Unit	\$ 13.18	\$ 25.13	\$ 24.10
A2MS2C	Commercial 1 1/2" Multi Unit	\$ 13.18	\$ 50.25	\$ 48.20
A2MS2D	Commercial 2" Multi Unit	\$ 13.18	\$ 80.40	\$ 77.12
A2MS2E	Commercial 3" Multi Unit	\$ 13.18	\$ 150.75	\$ 77.12
A2MS2F	Commercial 4" Multi Unit	\$ 13.18	\$ 251.25	\$ 77.12
A2MS2G	Commercial 6" Multi Unit	\$ 13.18	\$ 502.50	\$ 77.12
A2MS2H	Commercial 8" Multi Unit	\$ 13.18	\$ 804.00	\$ 77.12
A2MS20	Commercial Flat Fee Multi Unit	\$ 13.18	\$ 17.86	\$ 16.71
A2MS1LA	Commercial Large User 5/8-3/4" & 3/4" Single Unit	\$ 27.95	\$ 54.10	\$ 9.64
A2MS1LB	Commercial Large User 1" Single Unit	\$ 27.95	\$ 135.25	\$ 24.10
A2MS1LC	Commercial Large User 1 1/2" Single Unit	\$ 27.95	\$ 270.50	\$ 48.20
A2MS1LD	Commercial Large User 2" Single Unit	\$ 27.95	\$ 432.80	\$ 77.12
A2MS1LE	Commercial Large User 3" Single Unit	\$ 27.95	\$ 811.50	\$ 77.12
A2MS1LF	Commercial Large User 4" Single Unit	\$ 27.95	\$ 1,352.50	\$ 77.12
A2MS1LG	Commercial Large User 6" Single Unit	\$ 27.95	\$ 2,705.00	\$ 77.12
A2MS1LH	Commercial Large User 8" Single Unit	\$ 27.95	\$ 4,328.00	\$ 77.12
A2MS2LA	Commercial Large User 5/8-3/4" & 3/4" Multi Unit	\$ 27.95	\$ 54.10	\$ 9.64
A2MS2LB	Commercial Large User 1" Multi Unit	\$ 27.95	\$ 135.25	\$ 24.10
A2MS2LC	Commercial Large User 1 1/2" Multi Unit	\$ 27.95	\$ 270.50	\$ 48.20
A2MS2LD	Commercial Large User 2" Multi Unit	\$ 27.95	\$ 432.80	\$ 77.12
A2MS2LE	Commercial Large User 3" Multi Unit	\$ 27.95	\$ 811.50	\$ 77.12
A2MS2LF	Commercial Large User 4" Multi Unit	\$ 27.95	\$ 1,352.50	\$ 77.12
A2MS2LG	Commercial Large User 6" Multi Unit	\$ 27.95	\$ 2,705.00	\$ 77.12
A2MS2LH	Commercial Large User 8" Multi Unit	\$ 27.95	\$ 4,328.00	\$ 77.12
A2MSPP	Commercial Paradise Park 6" Multi Unit	\$ 3,317.48	\$ 2,705.00	\$ 2,617.90
Flat Fee Services:				
A2MS1	General Sanitary Sewer Service Rate Commercial Per Unit	\$ 13.18	\$ 17.86	\$ 16.71
A2MS2	General Sanitary Sewer Service Rate Additional Toilet	\$ 3.25	None	\$ 4.12
A2MS3	General Sanitary Sewer Service Rate Restaurants Per Dishwasher	\$ 24.79	None	\$ 31.43
A2MS4	General Sanitary Sewer Service Rate Laundromats Per Wash Machine	\$ 6.03	None	\$ 7.85
A2MS5	General Sanitary Sewer Service Rate Commercial Per Wash Rack	\$ 12.27	None	\$ 15.56
A2MS6	General Sanitary Sewer Service Commercial Rental Rooms	\$ 3.94	None	\$ 5.00
A2MS7	General Sanitary Sewer Service Commercial Large Users	\$ 27.95	None	\$ 35.44

Commodity Charge

A1MS1	General Sanitary Sewer Service Rate Residential - All	None	See Below	See Below
A1MS1A	Residential 5/8-3/4" & 3/4" Single Unit	First 5,000 \$ - Over 5,000 \$ -	\$ 0.9920	\$ 0.9585
A1MS1B	Residential 1" Single Unit -	First 10,000 \$ - Over 10,000 \$ -	\$ 0.9920	\$ -
A1MS1C	Residential 1 1/2" Single Unit	First 12,500 \$ - Over 12,500 \$ -	\$ 0.9920	\$ 0.9585
A1MS1D	Residential 2" Single Unit	First 35,000 \$ - Over 35,000 \$ -	\$ 0.9920	\$ -
A1MS1E	Residential 3" Single Unit	First 25,000 \$ - Over 25,000 \$ -	\$ 0.9920	\$ 0.9585
A1MS1F	Residential 4" Single Unit	First 55,000 \$ - Over 55,000 \$ -	\$ 0.9920	\$ -
		First 40,000 \$ - Over 40,000 \$ -	\$ -	\$ 0.9585
		First 100,000 \$ - Over 100,000 \$ -	\$ 0.9920	\$ -
		ALL \$ -	\$ -	\$ 0.9585

A1MS1G	Residential 6" Single Unit	First 200,000 Over 200,000 ALL	\$ - \$ - \$ -	\$ 0.9920 \$ - \$ -		\$ 0.9585
A1MS1H	Residential 8" Single Unit	First 200,000 Over 200,000 ALL	\$ - \$ - \$ -	\$ 0.9920 \$ - \$ -		\$ 0.9585
A1MS10	Residential Flat Fee Single Unit	N/A	\$ -	None		None
A1MS2A	Residential 5/8-3/4" & 3/4" Multi Unit	First 5,000 Over 5,000 First 5,000 Over 5,000	None None None None	\$ 0.9920 \$ - \$ - \$ -		\$ 0.9585
A1MS2B	Residential 1 " Multi Unit	First 10,000 Over 10,000 First 12,500 Over 12,500	None None None None	\$ 0.9920 \$ - \$ - \$ -		\$ 0.9585
A1MS2C	Residential 1 1/2" Multi Unit	First 35,000 Over 35,000 First 25,000 Over 25,000	None None None None	\$ 0.9920 \$ - \$ - \$ -		\$ 0.9585
A1MS2D	Residential 2" Multi Unit	First 55,000 Over 55,000 First 40,000 Over 40,000	None None None None	\$ 0.9920 \$ - \$ - \$ -		\$ 0.9585
A1MS2E	Residential 3" Multi Unit	First 100,000 Over 100,000 ALL	None None None	\$ 0.9920 \$ - \$ -		\$ 0.9585
A1MS2F	Residential 4" Multi Unit	First 100,000 Over 100,000 ALL	None None None	\$ 0.9920 \$ - \$ -		\$ 0.9585
A1MS2G	Residential 6" Multi Unit	First 200,000 Over 200,000 ALL	None None None	\$ 0.9920 \$ - \$ -		\$ 0.9585
A1MS2H	Residential 8" Multi Unit	First 200,000 Over 200,000 ALL	None None None	\$ 0.9920 \$ - \$ -		\$ 0.9585
A1MS20	Residential Flat Fee Multi Unit	N/A	\$ -	None		None
A2MS1A	Commercial 5/8-3/4" & 3/4" Single Unit	First 5,000 Over 5,000 First 5,000 Over 5,000		\$ 1.8750 \$ - \$ - \$ -		\$ 1.5856
A2MS1B	Commercial 1 " Single Unit	First 10,000 Over 10,000 First 12,500 Over 12,500		\$ 1.8750 \$ - \$ - \$ -		\$ 1.5856
A2MS1C	Commercial 1 1/2" Single Unit	First 35,000 Over 35,000 First 25,000 Over 25,000		\$ 1.8750 \$ - \$ - \$ -		\$ 1.5856
A2MS1D	Commercial 2" Single Unit	First 55,000 Over 55,000 First 40,000 Over 40,000		\$ 1.8750 \$ - \$ - \$ -		\$ 1.5856
A2MS1E	Commercial 3" Single Unit	First 100,000 Over 100,000 ALL		\$ 1.8750 \$ - \$ -		\$ 1.5856
A2MS1F	Commercial 4" Single Unit	First 100,000 Over 100,000 ALL		\$ 1.8750 \$ - \$ -		\$ 1.5856
A2MS1G	Commercial 6" Single Unit	First 400,000 Over 400,000 ALL		\$ 1.8750 \$ - \$ -		\$ 1.5856
A2MS1H	Commercial 8" Single Unit	First 200,000 Over 200,000 ALL		\$ 1.8750 \$ - \$ -		\$ 1.5856
A2MS10	Commercial Flat Fee Single Unit	ALL				\$ -
A2MS2A	Commercial 5/8-3/4" & 3/4" Multi Unit	First 5,000 Over 5,000 First 5,000 Over 5,000		\$ 1.8750 \$ - \$ - \$ -		\$ 1.5856
A2MS2B	Commercial 1 " Multi Unit	First 10,000 Over 10,000 First 12,500 Over 12,500		\$ 1.8750 \$ - \$ - \$ -		\$ 1.5856
A2MS2C	Commercial 1 1/2" Multi Unit	First 35,000 Over 35,000 First 25,000 Over 25,000		\$ 1.8750 \$ - \$ - \$ -		\$ 1.5856
A2MS2D	Commercial 2" Multi Unit	First 55,000 Over 55,000 First 40,000 Over 40,000		\$ 1.8750 \$ - \$ - \$ -		\$ 1.5856
A2MS2E	Commercial 3" Multi Unit	First 100,000 Over 100,000 ALL		\$ 1.8750 \$ - \$ -		\$ 1.5856
A2MS2F	Commercial 4" Multi Unit	First 400,000 Over 400,000 ALL		\$ 1.8750 \$ - \$ -		\$ 1.5856
A2MS2G	Commercial 6" Multi Unit	First 400,000 Over 400,000 ALL		\$ 1.8750 \$ - \$ -		\$ 1.5856
A2MS2H	Commercial 8" Multi Unit	First 200,000 Over 200,000 ALL		\$ 1.8750 \$ - \$ -		\$ 1.5856
A2MS20	Commercial Flat Fee Multi Unit	ALL				\$ -
A2MS1A	Commercial Large User 5/8-3/4" & 3/4" Single Unit	First 20,000 Over 20,000 ALL	\$ 1.07 \$ - \$ -	\$ - \$ 0.4550 \$ -		\$ 1.5856

A2MS1LB	Commercial Large User 1 " Single Unit	First 20,000 Over 20,000 ALL	\$ 1.07 \$ - \$ -	\$ - \$ 0.4550 \$ -	\$ - \$ 1.5856 \$ -
A2MS1LC	Commercial Large User 1 1/2" Single Unit	First 20,000 Over 20,000 ALL	\$ 1.07 \$ - \$ -	\$ - \$ 0.4550 \$ -	\$ - \$ 1.5856 \$ -
A2MS1LD	Commercial Large User 2" Single Unit	First 20,000 Over 20,000 ALL	\$ 1.07 \$ - \$ -	\$ - \$ 0.4550 \$ -	\$ - \$ 1.5856 \$ -
A2MS1LE	Commercial Large User 3" Single Unit	First 20,000 Over 20,000 ALL	\$ 1.07 \$ - \$ -	\$ - \$ 0.4550 \$ -	\$ - \$ 1.5856 \$ -
A2MS1LF	Commercial Large User 4" Single Unit	First 20,000 Over 20,000 ALL	\$ 1.07 \$ - \$ -	\$ - \$ 0.4550 \$ -	\$ - \$ 1.5856 \$ -
A2MS1LG	Commercial Large User 6" Single Unit	First 20,000 Over 20,000 ALL	\$ 1.07 \$ - \$ -	\$ - \$ 0.4550 \$ -	\$ - \$ 1.5856 \$ -
A2MS1LH	Commercial Large User 8" Single Unit	First 20,000 Over 20,000 ALL	\$ 1.07 \$ - \$ -	\$ - \$ 0.4550 \$ -	\$ - \$ 1.5856 \$ -
A2MS2LA	Commercial Large User 5/8-3/4" & 3/4" Multi Unit	First 20,000 Over 20,000 ALL	\$ 1.07 \$ - \$ -	\$ - \$ 0.4550 \$ -	\$ - \$ 1.5856 \$ -
A2MS2LB	Commercial Large User 1 " Multi Unit	First 20,000 Over 20,000 ALL	\$ 1.07 \$ - \$ -	\$ - \$ 0.4550 \$ -	\$ - \$ 1.5856 \$ -
A2MS2LC	Commercial Large User 1 1/2" Multi Unit	First 20,000 Over 20,000 ALL	\$ 1.07 \$ - \$ -	\$ - \$ 0.4550 \$ -	\$ - \$ 1.5856 \$ -
A2MS2LD	Commercial Large User 2" Multi Unit	First 20,000 Over 20,000 ALL	\$ 1.07 \$ - \$ -	\$ - \$ 0.4550 \$ -	\$ - \$ 1.5856 \$ -
A2MS2LE	Commercial Large User 3" Multi Unit	First 20,000 Over 20,000 ALL	\$ 1.07 \$ - \$ -	\$ - \$ 0.4550 \$ -	\$ - \$ 1.5856 \$ -
A2MS2LF	Commercial Large User 4" Multi Unit	First 20,000 Over 20,000 ALL	\$ 1.07 \$ - \$ -	\$ - \$ 0.4550 \$ -	\$ - \$ 1.5856 \$ -
A2MS2LG	Commercial Large User 6" Multi Unit	First 20,000 Over 20,000 ALL	\$ 1.07 \$ - \$ -	\$ - \$ 0.4550 \$ -	\$ - \$ 1.5856 \$ -
A2MS2LH	Commercial Large User 8" Multi Unit	First 20,000 Over 20,000 ALL	\$ 1.07 \$ - \$ -	\$ - \$ 0.4550 \$ -	\$ - \$ 1.5856 \$ -
A2MSP	Commercial Paradise Park 6" Multi Unit	First 20,000 Over 20,000	\$ 0.0910 \$ -	\$ - \$ 2.6250	\$ - \$ 2.5405
A1MS1	General Sanitary Sewer Service Rate Commercial Per Unit	N/A	\$ 29.25	\$ 44.31	\$ 43.34

Miscellaneous Charges

Annual Fee for Industrial Discharge Service					
For those customers consuming an amount of water less than or equal to 50,000 gallons per month through one or more water meters to the same facility, inclusive of meters used for irrigation		\$500.00	\$500.00	\$500.00	
For those customers consuming more than 50,000 gallons per month of water through one or more water meters to the same facility, inclusive of meters used for irrigation		\$1,000.00	\$1,000.00	\$1,000.00	

Service and Meter Installation Charges

1. Service Installations:

Meter Size				
5/8"	\$370.00	\$370.00	\$370.00	
3/4"	\$370.00	\$370.00	\$370.00	
1"	\$420.00	\$420.00	\$420.00	
1 1/2"	\$450.00	\$450.00	\$450.00	
2" - Turbine	\$580.00	\$580.00	\$580.00	
2" - Compound	\$580.00	\$580.00	\$580.00	
3" - Turbine	\$745.00	\$745.00	\$745.00	
3" - Compound	\$765.00	\$765.00	\$765.00	
4" - Turbine	\$1,090.00	\$1,090.00	\$1,090.00	
4" - Compound	\$1,120.00	\$1,120.00	\$1,120.00	
6" - Turbine	\$1,610.00	\$1,610.00	\$1,610.00	
6" - Compound	\$1,630.00	\$1,630.00	\$1,630.00	
Over 6" charges are to be equal to actual total costs of installation.				

2. Meter Installations:

Meter Size				
5/8"	\$130.00	\$130.00	\$130.00	
3/4"	\$205.00	\$205.00	\$205.00	
1"	\$240.00	\$240.00	\$240.00	
1 1/2"	\$450.00	\$450.00	\$450.00	
2" - Turbine	\$945.00	\$945.00	\$945.00	
2" - Compound	\$1,640.00	\$1,640.00	\$1,640.00	
3" - Turbine	\$1,420.00	\$1,420.00	\$1,420.00	
3" - Compound	\$2,195.00	\$2,195.00	\$2,195.00	
4" - Turbine	\$2,270.00	\$2,270.00	\$2,270.00	
4" - Compound	\$3,145.00	\$3,145.00	\$3,145.00	
6" - Turbine	\$4,425.00	\$4,425.00	\$4,425.00	
6" - Compound	\$6,120.00	\$6,120.00	\$6,120.00	
Over 6" charges are to be equal to actual total costs of installation.				

Service Establishment, Reestablishment and/or Reconnection Charge

1. During normal business hours.	\$30.00	\$30.00	\$30.00	
2. During non business hours.	\$40.00	\$40.00	\$40.00	

Insufficient Funds (NSF) Check Charge

Charge for each instance the customer tenders payment for service with an ISF check.	\$10.00	\$10.00	\$10.00	
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Customer Requested Meter Reread Charge

	Charge for customer requested meter rereading, provided that the original reading was not in error.	\$5.00	\$5.00	\$5.00
Meter Test Charge	Charge for testing a meter upon the customer's request, charged to the customer. However, if the meter is found to be over registering by more than three percent (3%), no meter-testing fee will be charged to the customer.	\$10.00	\$10.00	\$10.00

Arizona American - Sun City Wastewater
 Test Year Ended December 9, 2005
 Docket Number WS-01030A-06-0481
 Analysis of Revenues by Detailed Class

TYPICAL BILL ANALYSIS

Rate Schedule	Description	Average Consumption or Units	Current Rates **			Company Proposed			Staff Recommended			% Increase	Median
			Average	Median	Change	Average	Median	Change	Average	Median	Change		
A1MS1A	Residential 5/8-3/4" & 3/4" Single Unit	7,725	10.98	10.98	10.98	15.01	15.01	4.03	14.43	14.43	31.44%	31.44%	31.44%
A1MS1B	Residential 1" Single Unit	3,169	10.98	10.98	10.98	27.11	27.11	17.89	26.02	26.02	152.33%	152.33%	152.33%
A1MS1C	Residential 1 1/2" Single Unit	40,548	10.98	10.98	10.98	134.96	134.96	123.98	115.46	115.46	951.55%	951.55%	951.55%
A1MS1D	Residential 2" Single Unit	173,667	10.98	10.98	10.98	150.75	150.75	139.77	127.12	127.12	602.37%	602.37%	602.37%
A1MS1E	Residential 3" Single Unit	0	10.98	10.98	10.98	251.25	251.25	240.27	218.25	218.25	602.37%	602.37%	602.37%
A1MS1F	Residential 4" Single Unit	0	10.98	10.98	10.98	502.50	502.50	491.52	447.50	447.50	602.37%	602.37%	602.37%
A1MS1G	Residential 6" Single Unit	0	10.98	10.98	10.98	804.00	804.00	793.02	722.40	722.40	602.37%	602.37%	602.37%
A1MS1H	Residential 8" Single Unit	0	10.98	10.98	10.98	1,148.88	1,148.88	1,138.88	1,040.00	1,040.00	31.15%	31.15%	31.15%
A1MS1I	Residential Flat Fee Single Unit	5,257	10.98	10.98	10.98	19	19	3.90	14.40	14.40	31.15%	31.15%	31.15%
A2MS1A	Commercial 5/8-3/4" & 3/4" Single Unit	16,175	13.18	13.18	13.18	19.43	19.43	6.25	17.57	17.57	27.74%	27.74%	27.74%
A2MS1B	Commercial 1" Single Unit	46,132	13.18	13.18	13.18	47.11	47.11	33.54	35.36	35.36	168.27%	168.27%	168.27%
A2MS1C	Commercial 1 1/2" Single Unit	25,200	13.18	13.18	13.18	115.88	115.88	102.70	111.62	111.62	74.88	74.88	74.88
A2MS1D	Commercial 2" Single Unit	57,250	13.18	13.18	13.18	183.53	183.53	170.35	167.90	167.90	154.77%	154.77%	154.77%
A2MS1E	Commercial 3" Single Unit	295,031	13.18	13.18	13.18	337.50	337.50	324.32	246.70	246.70	364.91%	364.91%	364.91%
A2MS1F	Commercial 4" Single Unit	947,750	13.18	13.18	13.18	350.45	350.45	337.27	258.95	258.95	898.18%	898.18%	898.18%
A2MS1G	Commercial 6" Single Unit	629,000	13.18	13.18	13.18	888.00	888.00	885.62	718.42	718.42	804.86%	804.86%	804.86%
A2MS1H	Commercial 8" Single Unit	0	13.18	13.18	13.18	804.00	804.00	790.82	600.15	600.15	485.13%	485.13%	485.13%
A2MS1I	Commercial Flat Fee Single Unit	0	13.18	13.18	13.18	17.86	17.86	4.88	16.71	16.71	26.78%	26.78%	26.78%
A2MS1J	Commercial Large User 5/8-3/4" & 3/4" Single Unit	0	27.95	27.95	27.95	54.10	54.10	28.15	9.64	9.64	183.31%	183.31%	183.31%
A2MS1K	Commercial Large User 1" Single Unit	0	27.95	27.95	27.95	135.25	135.25	107.30	24.10	24.10	13.77%	13.77%	13.77%
A2MS1L	Commercial Large User 1 1/2" Single Unit	0	27.95	27.95	27.95	270.50	270.50	242.55	48.20	48.20	72.45%	72.45%	72.45%
A2MS1M	Commercial Large User 2" Single Unit	6,000	27.95	27.95	27.95	442.38	442.38	404.85	142.21	142.21	209.86%	209.86%	209.86%
A2MS1N	Commercial Large User 3" Single Unit	41,050	27.95	27.95	27.95	828.87	828.87	800.92	686.35	686.35	505.90%	505.90%	505.90%
A2MS1O	Commercial Large User 4" Single Unit	58,167	27.95	27.95	27.95	1,352.50	1,352.50	1,324.55	1,115.17	1,115.17	312.07%	312.07%	312.07%
A2MS1P	Commercial Large User 6" Single Unit	0	27.95	27.95	27.95	4,572.96	4,572.96	4,545.01	3,764.65	3,764.65	2018.45%	2018.45%	2018.45%
A2MS1Q	Commercial Large User 8" Single Unit	4,217,667	27.95	27.95	27.95	4,328.00	4,328.00	4,300.05	3,584.79	3,584.79	175.92%	175.92%	175.92%
A2MS1R	Commercial Large User 8" Single Unit	0	27.95	27.95	27.95	4,328.00	4,328.00	4,300.05	3,584.79	3,584.79	175.92%	175.92%	175.92%
A2MS1S	Residential 5/8-3/4" & 3/4" Multi Unit	35,163	10.98	10.98	10.98	30.09	30.09	19.11	14.43	14.43	31.44%	31.44%	31.44%
A2MS1T	Residential 1" Multi Unit	36,843	21.86	21.86	21.86	35.05	35.05	13.09	38.08	38.08	64.30%	64.30%	64.30%
A2MS1U	Residential 1 1/2" Multi Unit	66,163	65.88	65.88	65.88	60.17	60.17	(5.71)	72.16	72.16	9.54%	9.54%	9.54%
A2MS1V	Residential 2" Multi Unit	52,500	109.80	109.80	109.80	134.96	134.96	25.16	115.46	115.46	5.15%	5.15%	5.15%
A2MS1W	Residential 3" Multi Unit	167,000	187.84	187.84	187.84	249.95	249.95	52.31	237.19	237.19	20.01%	20.01%	20.01%
A2MS1X	Residential 4" Multi Unit	0	10.98	10.98	10.98	251.75	251.75	240.77	219.81	219.81	602.37%	602.37%	602.37%
A2MS1Y	Residential 6" Multi Unit	115,000	527.04	527.04	527.04	601.70	601.70	74.86	187.35	187.35	64.45%	64.45%	64.45%
A2MS1Z	Residential 8" Multi Unit	0	10.98	10.98	10.98	804.00	804.00	793.02	722.40	722.40	602.37%	602.37%	602.37%
A2MS2A	Commercial 5/8-3/4" & 3/4" Multi Unit	16,553	13.18	13.18	13.18	19.43	19.43	6.25	17.57	17.57	27.74%	27.74%	27.74%
A2MS2B	Commercial 1" Multi Unit	58,042	13.18	13.18	13.18	47.11	47.11	33.54	35.36	35.36	168.27%	168.27%	168.27%
A2MS2C	Commercial 1 1/2" Multi Unit	51,000	65.90	65.90	65.90	115.88	115.88	102.70	111.62	111.62	74.88	74.88	74.88
A2MS2D	Commercial 2" Multi Unit	83,570	105.44	105.44	105.44	183.53	183.53	170.35	167.90	167.90	154.77%	154.77%	154.77%
A2MS2E	Commercial 3" Multi Unit	0	210.88	210.88	210.88	150.75	150.75	139.77	127.12	127.12	602.37%	602.37%	602.37%
A2MS2F	Commercial 4" Multi Unit	0	659.00	659.00	659.00	251.25	251.25	240.27	218.25	218.25	602.37%	602.37%	602.37%
A2MS2G	Commercial 6" Multi Unit	1,550,000	659.00	659.00	659.00	1,252.50	1,252.50	1,240.00	1,040.00	1,040.00	31.15%	31.15%	31.15%
A2MS2H	Commercial 8" Multi Unit	0	13.18	13.18	13.18	804.00	804.00	793.02	722.40	722.40	602.37%	602.37%	602.37%
A2MS2I	Commercial Flat Fee Multi Unit	0	13.18	13.18	13.18	17.86	17.86	4.88	16.71	16.71	26.78%	26.78%	26.78%
A2MS2J	Commercial Paradise Park 6" Multi Unit	3,222,900	3,608.91	3,608.91	3,608.91	11,111.56	11,111.56	7,502.68	10,962.23	10,962.23	218.01%	218.01%	218.01%